

HOSPITALITY TAX

By City Ordinance No. 2000-79, the City of Greenville enacted a 2% hospitality tax on prepared meals and beverages in the City, and went into effect July 1, 2001. The proceeds are to be used for tourist-related activities, improvements, and facilities. The hospitality tax is governed by Article 7, Local Hospitality Tax, of Chapter 1, Title 6 of the South Carolina Code of Laws.

HOSPITALITY TAX				
	2005-06	2006-07	2007-08	2008-09
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
REVENUES				
Hospitality Tax	\$ 4,963,689	5,649,548	5,625,000	5,915,000
Penalties/Late Fees	223,679	28,399	25,000	25,000
Interest	415,706	342,729	60,000	60,000
	5,603,074	6,020,676	5,710,000	6,000,000
EXPENDITURES				
Personnel (a)	214,934	274,272	0	0
Operating (a)	186,880	335,433	0	0
2001 & 2004 COP's Bond principal	1,055,000	1,085,000	1,125,000	1,170,000
2001 & 2004 COP's Bond interest	1,198,624	1,165,430	1,122,668	1,081,093
	2,655,438	2,860,135	2,247,668	2,251,093
Excess (deficiency) of revenues over expenditures	2,947,636	3,160,541	3,462,332	3,748,907
OTHER FINANCING SOURCES (USES)				
Transfer in - 2004 COPs Debt Payment	150,000	150,000	150,000	150,000
Transfer to CFC - operating	(115,208)	(1,681,895)	(943,309)	(789,717)
Transfer to Capital Projects Fund	(1,190,075)	(372,280)	(841,709)	(964,900)
Transfer to Bob Jones M&G	(50,000)	(50,000)	(50,000)	0
Transfer to Zoo Enterprise Fund	(475,000)	(475,000)	(475,000)	(475,000)
Transfer to General Fund	(575,000)	(1,219,000)	(1,941,532)	(2,165,244)
Total other financing sources (uses)	(2,255,283)	(3,648,175)	(4,101,550)	(4,244,861)
Total revenues over expenditures and other financing sources (uses)	692,353	(487,634)	(639,218)	(495,954)
Fund balance, beginning of year	4,560,760	5,253,113	4,765,479	4,126,261
Fund balance, end of year	\$ 5,253,113	4,765,479	4,126,261	3,630,307

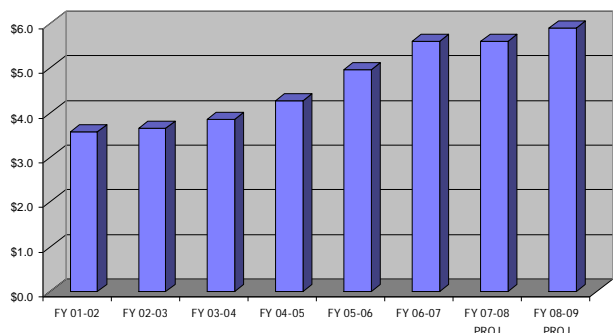
(HOSPITALITY TAX CONTINUED)

		2005-06	2006-07	2007-08	2008-09
		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Fund Balance					
Reserved for debt service reserve fund	\$	2,465,344	2,358,509	2,358,509	2,358,509
Reserved for debt service monthly deposits		593,697	563,173	563,173	563,173
Fund Balance Reserve		0	500,000	500,000	500,000
Undesignated		2,194,072	1,343,797	704,579	208,625
	\$	5,253,113	4,765,479	4,126,261	3,630,307

(a) Through FY 2006-07, the costs for the Falls Park Maintenance Crew were budgeted in the Hospitality Tax Fund. After FY 2007-08, funds are transferred to the General Fund to support this activity.

FY 2008-09 BUDGET HIGHLIGHTS

- Reduces transfer to the Carolina First Center fund to \$789,717 due to increasing revenues and events.
- A \$2,165,244 transfer to the General Fund to offset operating expenditures associated with special events and tourism. This transfer is used primarily for public safety, parks and recreation, as well as other staff support for special events and tourism. Funding also includes debt service for eligible projects and collection costs.
- Funds \$964,900 in capital projects as approved in the *FY 2009-13 Capital Improvement Program*.
- Maintain \$500,000 fund balance reserve to account for unanticipated opportunities and potential fluctuations in the revenue stream.

Hospitality Tax Revenues**CHANGE IN FUND BALANCE**

The projected decrease in fund balance from \$4,126,261 to \$3,630,307, or -12.0%, is attributable to using reserves for capital projects approved in the *FY 2009-13 Capital Improvement Program*.